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C O N F I D E N T I A L SECTION 01 OF 02 TEGUCIGALPA 000569

SIPDIS

E.O. 12958: DECL: 06/15/2018
TAGS: OVIP PGOV PREL ENRG MARR MOPS ETRD SMIG KCRM
PHUM, PTER, SNAR, HO
SUBJECT: THE DEPUTY SECRETARY'S MEETING WITH HONDURAN
PRESIDENT MANUEL ZELAYA

REF: TEGUCIGALPA 525

Classified By: Ambassador Charles Ford, reasons 1.4 (b & d)

¶1. (C) Summary: On June 4, the Deputy Secretary met with President Manuel "Mel" Zelaya to discuss several issues of mutual interest, including: Temporary Protected Status; U.S. Assistance to Honduras; security and identity documents; trade; the deteriorating U.S. image in the region; and commercialization of the airstrip at Soto Cano U.S. Air Force base. In the private meeting Zelaya clearly stated his desire to maintain the U.S. military presence at Soto Cano Air Force Base, where he intends to co-locate a commercial airport. The Deputy noted that a new airport could not be created overnight, but required extensive planning. The Deputy further underscored the security threat to both nations posed by identity document fraud in Honduras. End summary.

¶2. (U) Participants:

USG:
Deputy Secretary
A/S Thomas Shannon
Ambassador Charles Ford
DCM James Williard
Mary Sue Conaway, D Staff
Ted Wittenstein, D Staff
Notetaker

GOH:
President Manuel Zelaya
Minister of the Presidency Enrique Flores Lanza
Minister of Security Jorge Rodas Gamero
Vice Minister of Foreign Affairs Enrique Eduardo Reina
Ambassador Roberto Flores Bermudez

Temporary Protected Status

¶3. (C) Zelaya noted that Temporary Protected Status for 78,000 Hondurans currently in the United States was up for renewal in October, and asked that the USG carefully consider extension of the program. Ambassador Flores Bermudez cited the difficulty Honduras would have receiving and reintegrating this large number of citizens and said his embassy is working on a socio-economic study that it will present to the USG the week of June 16. The Deputy Secretary noted that the USG and GOH will have to work together on this issue and said he looked forward to receiving the case from

the embassy soon.

U.S. Assistance

14. (C) Zelaya expressed appreciation for the Millennium Challenge Corporation compact, but opined that the rules are difficult and cumbersome, making it hard to spend the funds quickly. He noted that USAID had already been working successfully in Honduras before the compact was signed, and he lamented that a whole new organization was created with new rules and procedures. Minister Flores Lanza noted that USD 190 million will be committed by the end of 2008, but said the GOH would like to have the opportunity to present new projects. Because Honduras was only the second country in the world to sign a compact, it had no models to follow and so they feel their requests may have been inadequate. Zelaya expressed appreciation for the agricultural diversification projects, but said Honduras would like to propose some alternative energy projects.

Security

15. (C) Zelaya thanked the USG for the assistance it has given Honduras, especially in regards to security and training of the security forces. Minister Rodas specifically thanked the USG for assistance with the INL prison expert who recently visited Honduras, the policy academy advisor who will begin work in June, and all training assistance in general. The Deputy Secretary responded that violence and organized crime affect us all, and that we must work together to fight it. He noted that President Uribe in Colombia is making inroads

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in the fight against these scourges, as is the government of El Salvador. The Deputy also mentioned that common crime and gangs are no longer localized issues, but a problem for all. He added that the Administration was working for passage of the Merida Initiative in the U.S. Congress, and if passed, the funds would address many of these issues. Ambassador Flores Bermudez said his officers were also busy lobbying the hill and would assist in this joint effort.

Identity Documents

16. (C) Intimately a part of security issues, the Deputy Secretary told Zelaya that the USG was worried about the identity documents issued by the National Register of Persons (RNP). He strongly urged the GOH to work on controlling the situation of corruption in the RNP and offered expert and/or technical assistance. The Deputy noted that the dangerous individuals who can easily obtain these documents are not just a threat to the United States, but also Honduras. Zelaya opined that the main problem in the RNP was that it was overly politicized and that it must be made independent.

Trade issues

17. (C) Zelaya explained that although the USG and GOH have had two recent trade disagreements, we have been able to work them out with compromises acceptable to both parties. He noted that regarding the issue of socks, a safeguard was enacted, but the low tariffs were only implemented for six months. The industry will survive this period and begin exporting larger quantities when the safeguard expires. Zelaya also mentioned recent problems with the U.S. Food and Drug Administration regarding salmonella in Honduran melons, but said that the required changes would be implemented at the specific company and that he expected the next crop to be successful. The Deputy noted that the USG believes trade agreements like CAFTA are the best way for countries to develop, noting Honduran exports to the United States have increased by USD 200 million last year. The Deputy added that when he was Ambassador to Mexico, the U.S. and Mexico signed NAFTA, which has more than tripled trade between the two countries. He noted that increases in trade often begin slowly after signing a trade agreement, but that countries

then gain momentum as people learn how to export. Zelaya noted that CAFTA has not been in force long and agreed that the increases in exports may take time.

Commercial Airport at Soto Cano

18. (C) Zelaya said that during his first visit with President Bush in 2005, he discussed the issue of commercializing the airstrip at Soto Cano air force base. He said that now the issue had become an "emergency" and that he was in a hurry to get this done quickly, but assured the Deputy Secretary that he wanted to maintain U.S. forces at Soto Cano. The Deputy Secretary reiterated that the decision was entirely Honduras', but added that if Honduras wanted to use Soto Cano as the permanent solution to the airport problem, then it must be planned. He noted that creating a whole new airport takes a long time and that many questions need to be addressed -- in short, that it cannot be done "in one day."

U.S. Image in the region

19. Zelaya said that as a friend of the United States, he wanted to let the Deputy Secretary know that the image of the USG has deteriorated substantially of late. He offered that the United States is now seen as a "closed country" and that terrorism, the Middle East, and the war in Iraq have contributed to this reputation. Previously, he opined, the United States was an open country, but now it is impossible to get through airport security, it is difficult to get a visa, etc.

This message was cleared by D staff.
FORD